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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of:	)	
	)	
Implementation of the Local	)	CC Docket No. 96-98
Competition Provisions in the	)	RM 9101
Telecommunications Act of 1996	)	

REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

EXHIBITS

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July 30, 1997

A

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

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AT RICHMOND, MAY 8, 1997

PETITION OF

MCI TELECOMMUNICATIONS

and

CASE NO. PUC960113

MCImetro ACCESS TRANSMISSION
SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues
from interconnection negotiations
with Bell Atlantic-Virginia, Inc.
pursuant to § 252 of the
Telecommunications Act of 1996

ORDER RESOLVING NON-PRICING ISSUES

On February 19, 20, and 28, 1997, the Commission held hearings to receive evidence and arguments about unresolved issues concerning non-pricing issues that MCImetro Access Transmission Services of Virginia, Inc. ("MCI") and Bell Atlantic-Virginia, Inc. ("BA-VA") had not been able to resolve in their efforts to negotiate an interconnection agreement. On March 13, 1997, MCI and BA-VA submitted post hearing briefs in which MCI discussed 14 unresolved issues and BA-VA discussed 13.

Having considered the evidence and argument presented, the Commission finds that the issues should be resolved as follows:

1. Reciprocity of resale obligations for undiscounted resale.

MCI's post hearing brief addressed this issue whereas BA-VA's stated that it had been resolved. (BA-VA Post Hearing Brief at p. 1.) The Commission finds that while MCI's obligations are essentially statutory under § 251(b)(1) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 251(b)(1), the Agreement should contain an acknowledgment of that responsibility similar to that suggested at pages 1 and 2 of MCI's Post Hearing Brief. The Commission modifies that paragraph as follows:

> MCI acknowledges that it has a duty under § 251(b)(1) of the Act not to prohibit, and not to impose unreasonable and discriminatory conditions or limitations on the resale of its telecommunications services. MCI will develop its services with the knowledge that when they are available, BA-VA may request negotiations with MCI for the resale of such services. MCI will negotiate in good faith the terms and conditions necessary for BA-VA to purchase such services for resale from MCI.

2. Intellectual property rights.

The Commission finds that BA-VA's compromise, offered at pages 3 - 4 of its brief, properly resolves this issue. That compromise is:

> (1) BA-VA agrees to indemnify MCI with respect to intellectual property associated with any new network equipment or software acquisitions;
>
> (2) To the extent that the providers of equipment or software in BA-VA's network

provide BA-VA with indemnities covering intellectual property liabilities, and those indemnities allow a flow through of protection to third parties, BA-VA will flow those indemnity protections through to MCI; and

(3) BA-VA will inform MCI of any pending or threatened intellectual property claims relating to BA-VA's network of which BA-VA is aware, and would update that notification periodically as needed. Also, MCI will have maximum notice of any intellectual property risks it might want to address. The Commission also notes that MCI retains the right to pursue legal remedies against BA-VA if BA-VA is at fault in causing intellectual property liability to MCI.

3. Limitation of liability and remedies for failure to meet established performance standards.

The Commission finds that BA-VA should not be required to accept MCI's revenue loss indemnification proposal nor should it be required to accept MCI's performance related credit proposals except to the extent that revenue loss indemnification and credits for substandard performance are already contained in BA-VA's tariffs. BA-VA shall not be allowed to limit its liability except as permitted by applicable Virginia law.

4. Customer proprietary network information ("CPNI").

BA-VA shall be allowed to perform an annual audit of MCI's CPNI access. Such CPNI audits must be conducted in a minimally disruptive fashion, consistent with appropriate audit procedures. Either party to the audit may bring objections to the Commission

if the audits prove to be unnecessarily intrusive and the parties cannot resolve their disputes. Such audits may be increased to quarterly, rather than annually, only if a discrepancy in compliance with CPNI rules exceeds five percent.

5. Voice Mail Service.

Voice mail is an enhanced service rather than a telecommunications service. Hence, the Act does not mandate that BA-VA offer it for resale.

6. Reciprocity of Interconnection Points.

Neither the Act nor the FCC's Interconnection Order, In the Matter of Implementation of the Local Competition Provisions and the Telecommunications Act of 1996, CC Docket No. 96-98 (First Report and Order released August 8, 1996) ("FCC Order") require that a Competitive Local Exchange Carrier ("CLEC") allow the incumbent to select interconnection points. However, BA-VA may request relief from the Commission if it believes that a CLEC has manipulated the designation of interconnection points for the purpose of maximizing the transport revenues BA-VA must pay.

7. Transport and Termination charges.

Consistent with the decision on issue no. 6, the Commission denies BA-VA's request to impose a cap on transport charges. Rather, BA-VA will be allowed to request relief from the

Commission if it believes a CLEC has manipulated interconnection locations in order to maximize transport revenues.

8. Collocation by BA-VA/Dedicated Transport.

Neither the Act nor the FCC Order requires CLECs to offer collocation at their premises to incumbents. Therefore, MCI is not required to offer collocation at its premises to BA-VA.

9. Extended Demarcation Beyond Network Interface Device ("NID").

Inside wire services are not unbundled network elements and are not telecommunications services. On the customer side of the NID, they are the customer's responsibility. Installation and maintenance are not regulated and can be performed by competitive contractors. BA-VA shall not be required to perform extended demarcation work beyond the NID on behalf of MCI. However, BA-VA should notify MCI of any problems observed on the customer side of the NID in a timely manner, and should not be allowed to relay to the customer that inside wire services could have been performed during the technician's visit if the customer was a BA-VA customer rather than an MCI customer.

10. Information Needed by Switch.

At this time, the Commission does not require BA-VA to provide the data in the manner requested by MCI. If, in the future, BA-VA develops a capability to furnish data as requested by MCI or the provision of such data is consistent with industry

standards, BA-VA must furnish the data to MCI and must charge MCI no more than BA-VA's incremental cost.

11. Performance standards and reporting.

BA-VA shall provide services to MCI at the same level of performance that BA-VA provides to itself. BA-VA shall offer premium service to MCI if MCI requests it and compensates BA-VA for the incremental cost of providing the premium service. BA-VA shall provide reports to MCI on all material measures of service parity. MCI may request a report on all measures that are reasonably related to establishing the parity level and whether MCI is receiving services at parity. CLECs shall bear the incremental costs, allocated on a competitively-neutral basis, of providing any reports that BA-VA does not provide for internal use or is not obligated to provide for regulatory purposes. MCI shall have the right, at its expense, to conduct reasonable audits or other verifications of information provided by BA-VA.

12. Responsibility for lost usage data.

This issue is a special subset of Issue No. 3 above concerning limitations of liability and remedies for failure to meet performance standards. Consistent with that, the Commission finds that BA-VA should not be required to accept MCI's revenue loss indemnification proposal except to the extent that revenue

loss indemnification is already contained in BA-VA's retail tariffs. BA-VA shall not be allowed to limit its liability except as permitted by applicable Virginia law.

13. Means of Access to Directory Assistance Data.

BA-VA is required to furnish MCI its basic directory assistance data, on magnetic tape or some other suitable medium, provided that BA-VA's directory assistance database is not exposed to unreasonable risk of destruction. BA-VA shall work with MCI in an effort to provide directory assistance data without harm to BA-VA's database. BA-VA is required to provide daily updates to that data and MCI is required to pay BA-VA's efficiently incurred costs of providing the data. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) MCI and BA-VA shall submit an interconnection agreement in this docket incorporating the above discussed findings of the Commission as well as the parties' stipulation in this case, within 30 days of the entry of this order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Act and § C(7) of the Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059.

(2) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Warner F. Brundage, Jr., Esquire, Bell Atlantic-Virginia, 600 East Main Street, Richmond, Virginia 23219; Wilma R. McCarey, AT&T Communications of Virginia, Inc., 3033 Chainbridge Road, Room 3-D, Oakton, Virginia 22185; Gail D. Jaspen, Senior Assistant Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; Paul Hlavac, 7 Ashbury Lane, Barrington, Illinois 60010; Roger Heflin, AT&T Communications of Virginia, Inc., 1001 East Broad Street, Suite 430, Richmond, Virginia 23219; Alexander F. Skirpan, Esquire, and John D. Sharer, Esquire, Christian & Barton, L.L.P., 909 East Main Street, 1200 Mutual Building, Richmond, Virginia 23219-3095; Anne F. LaLena, MFS Intelenet of Virginia, Inc., 8100 Boone Boulevard, Suite 500, Vienna, Virginia 22182; Robin F. Cohn, Esquire, Swidler & Berlin, 3000 K Street, N.W., Suite 300, Washington, D.C. 20007; Paul Kouroupas, Esquire, TCG Virginia, Inc., 1133 21st Street, N.W., Washington, D.C. 20036; Tina Pidgeon, Esquire, Drinker, Biddle & Reath, 901 Fifteenth Street, N.W., Suite 900, Washington, D.C. 20005; Sarah Hopkins Finley, Esquire, Williams, Mullen, Christian & Dobbins, P.C., P.O. Box 1320, Richmond, Virginia 23210-1320; John Antonuk, 790 Pine Tree Road, Hummelstown, Pennsylvania 17036; Eric M. Page, Esquire, LeClair Ryan, 4201 Dominion Boulevard,

Suite 200, Glen Allen, Virginia 23060; Richard D. Gary, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074; Tom Krafcik, Liberty Consulting Group, 77 Southfield Drive, Belle Mead, New Jersey 08502; Carl Huppert, 250 West Pratt Street, Suite 2201, Baltimore, Maryland 21201; John C. Dodge, Esquire, Jones Telecommunications, Inc., 1919 Pennsylvania Avenue, N.W., Washington, D.C. 20006-3548; Christopher D. Moore, Esquire, Sprint Communications Company, 1850 M Street, N. W., Suite 1110, Washington, D.C. 20036; William L. Hanchey, Virginia Cable Television Association, 300 West Franklin Street, Richmond, Virginia 23220; Prince Jenkins, Esquire, MCI Telecommunications Corp., 1133 19th Street, N.W., Washington, D.C. 20036; David W. Clarke, Esquire, Mezzullo & McCandlish, 1111 East Main Street, Suite 1500, P.O. Box 796, Richmond, Virginia 23218; and the Commission's Office of General Counsel and Communications Division.

A True Copy
Teste: Urllin J. Bridge
Clerk of the
State Corporation Commission

B

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 3, 1997

PETITION OF

MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION
SERVICES OF VIRGINIA, INC.

For arbitration of unresolved
issues from interconnection
negotiations with GTE South, Inc.
pursuant to § 252 of the
Telecommunications Act of 1996

CASE NO. PUC960124

ORDER RESOLVING NON-PRICING
ARBITRATION ISSUES AND REQUIRING
FILING OF INTERCONNECTION AGREEMENT

On October 23, 1996, the Commission issued an Interim Order in this case which, among other things, scheduled hearings for December 2, 3, 4, and 6, 1996, to receive evidence on the remaining issues common to Case Nos. PUC960117, PUC960118, PUC960124, and PUC960131. Although all remaining issues in Case No. PUC960124 were to be heard at hearings set for a later date, GTE South, Inc. ("GTE") and MCI Telecommunications Corporation and MCImetro Access Transmission Services of Virginia, Inc. (collectively "MCI") agreed at the hearings held during the week of December 2, 1996, that all remaining issues had been presented or would be presented through filing documents, without need for further hearings. No further documents have been filed. By this

order, the Commission resolves the following issues in dispute between GTE and MCI:

(1) Availability as Unbundled Elements
(2) Unbundled Switch Element Definition
(3) Unbundling of Dedicated and Common Transport
(4) Transport and Termination Interconnection Points
(5) Charges for 800/888 Database Dips
(6) AIN and SS7 Access and Interconnection
(7) Collocation Equipment Types
(8) Collocation Locations
(9) Collocation Servicing Intervals
(10) Collocation Transport
(11) Direct Interconnection of Collocated CLECs
(12) Collocation Facility Construction
(13) Access to Poles, Ducts, Conduits and Rights-of-Way
(14) Access to Operator Services and Directory Assistance (OS/DA)
(15) Access to Directory Assistance Databases
(16) Interim Number Portability Methods
(17) Dialing Parity Through Presubscription
(18) Operations Support Systems (OSS) Access
(19) Recovery of OSS Costs
(20) Arbitration of Contract Terms and Conditions
(21) GTE Financial Responsibility for Errors
(22) Service Standards
(23) Agreement Term
(24) Bona Fide Requests and Dispute Resolution
(25) Most-Favored-Nation Clause
(26) Reciprocity
(27) Tariff Precedence Over Interconnection Agreement
(28) Authorization to Release Customer Information
(29) Billing and Usage Records

On December 2, 1996, GTE, MCI, and AT&T Communications of Virginia, Inc. submitted a stipulation ("Stipulation") which resolved several issues in controversy. The parties shall include all the stipulated issues in their interconnection agreement.

Having considered the evidence, and in accordance with the Telecommunications Act of 1996 ("the Act") and applicable law, the Commission is of the opinion and orders that:

(1) GTE must unbundle the elements as defined in the FCC's Interconnection Order In the matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 ("FCC Order"). Those elements include: local loops, Network Interface Device ("NID"), local switching, tandem switching, interoffice transmission facilities (including both dedicated and common transport), signaling links, call-related databases (only via the linked Signal Transfer Point ("STP")), STPs, Service Creation Environment, Service Management System, operations support system functions, operator services, and directory assistance. GTE need not make dark fiber available as an unbundled element.

(2) The unbundled switch element shall include all of the features, functions, and capabilities of the switch. Access to the switch as an unbundled element shall include the same basic capabilities that are available to GTE's customers, including telephone number, directory listing, dial tone, signaling, access to 911, operator services, directory assistance, and all vertical features, including custom calling, CLASS features, Centrex, as

well as any technically feasible customized routing functions. Access to third-party, call-related databases that are not already connected to GTE's network shall not be available at this time. This database access issue may be revisited once the FCC has more closely examined the technical feasibility of interconnecting these databases to the incumbent LEC signaling systems. Advanced Intelligent Network ("AIN") triggers shall not be unbundled at the present time.

(3) GTE shall provide both dedicated and common transport on an unbundled basis.

(4) MCI shall be entitled to a presumption that the existence of an interconnection at a given point demonstrates the feasibility of interconnection at that point for other Competitive Local Exchange Carriers ("CLECs"). GTE may rebut this presumption with a specific showing of infeasibility.

(5) When a MCI customer makes a toll-free call, GTE should not charge MCI for a database dip where GTE is the service provider for the customer receiving the 800/888 call. GTE states, however, that it does not have the ability to determine when MCI should not be billed. The parties should investigate whether a system can be developed to determine the identity of the service provider. GTE may charge MCI the efficiently

incurred incremental costs of any such system. In addition, MCI and GTE shall consider the development of an allocation factor to reflect the percentage of 800/888 calls where GTE is the service provider.

(6) GTE shall provide MCI with access to its Signaling System 7 ("SS7") on an unbundled basis. Access will be at any STP. GTE will provide access to its Service Control Points ("SCPs") through STP pairs that serve the SCPs. GTE shall provide access to its signaling links and Service Management System as unbundled elements. GTE shall provide MCI with access (equivalent to that which it provides itself) to the GTE Service Creation Environment to design, create, test, deploy, and provide AIN-based features. The parties shall incorporate reasonable security measures. MCI requests will be subject to mutually agreeable request, review, and testing procedures. When MCI uses a GTE local switching network element, and when MCI requests GTE to provide MCI with a technically feasible AIN trigger, GTE shall provide access to the appropriate GTE AIN call-related database for the purpose of invoking either a GTE AIN feature or a MCI-developed AIN feature. Similarly, when MCI uses its own local switch, GTE shall provide access to the appropriate GTE AIN-related database. Any mediation to GTE's AIN database must be

performed on a competitively-neutral and nondiscriminatory basis. Any network management controls necessary to protect the SCP from an overload condition must be applied on a nondiscriminatory basis for all users of the database, including GTE. Any load mediation will affect all links to the STP, including GTE's, in a like manner. MCI shall provide the information necessary to ensure that GTE is able to engineer sufficient capacity on the GTE AIN SCP platform.

(7) MCI may collocate only that equipment which is used for interconnection and access to unbundled elements. MCI may collocate remote switching units, but this equipment may not be used to switch traffic.

(8) MCI may collocate at any GTE premises where it is technically feasible to do so, where space is available, and where the collocation is being used to interconnect or to secure access to unbundled elements. A predesignated list of inappropriate collocation locations is not necessary or appropriate.

(9) GTE shall be required to provide virtual collocation within 60 days of a request by MCI. We adopt the Staff recommendation for physical collocation requests but with a 120 day time interval, rather than a 90 day time interval.

(10) GTE shall provide MCI, upon request, with unbundled transport for the purposes of connection to MCI equipment that is collocated at GTE's premises.

(11) MCI may directly interconnect with other CLECs who are collocated at GTE premises for the purpose of interconnection with GTE or access to GTE network elements. GTE shall, upon request, abut collocation facilities where feasible and where space permits. When the collocation cages directly abut one another, the collocators may provide their own interconnection facilities in such circumstances that do not adversely impact GTE's coordination and technical management of the collocation space; otherwise, GTE shall retain the right to determine who should provide the cross connection.

(12) GTE shall permit the subcontracting of collocation cage construction with contractors approved by GTE. GTE's approval of contractors shall be based on the same criteria that GTE uses for approving its own contractors.

(13) GTE shall provide access to all pathways (i.e., poles, ducts, conduits, rights-of-way) that it uses to connect to customers. It shall provide access to the maximum extent that is consistent with its ownership or control. Where GTE does not have ownership or control of access to poles, ducts, conduits, or

rights-of-way, a CLEC must secure its own access. GTE may exclude or condition access on the basis of capacity, safety, reliability, and generally applicable engineering standards, provided that such exclusions and conditions are consistent with those that GTE applies to its own use of poles, ducts, conduits, and rights-of-way. A list of automatically excluded rights or facilities is not appropriate. Within 30 days of a request for access, GTE must make space available; alternatively, it must demonstrate within 15 days of the request that it is not practical to provide space within 30 days. Once access has been approved by GTE, MCI shall have a period of 90 days following its commitment to begin to use the facilities in question, unless MCI can show cause within 45 days why events beyond its control prevent it from doing so. In addition, GTE and MCI may reserve space on poles, ducts, conduits, and rights-of-way for a period of two years on terms and conditions to be agreed upon by the parties.

Upon a request for information regarding the location and availability of GTE pathway facilities, GTE shall respond within 30 days. However, GTE may exclude customer-specific information in the absence of a written request by the customer to permit disclosure to MCI. In addition, GTE may charge MCI its

efficiently incurred incremental cost for providing to MCI any information that GTE does not collect for its own use.

Where a request for access to poles, ducts, conduits, or rights-of-way requires an expansion of GTE's physical facilities, GTE shall be required to make any such expansion that is consistent in nature and frequency to those that it has made or makes for its own purposes or for those of entities that have historically attached to or occupied its pathway facilities. Where GTE affirmatively demonstrates that accommodating MCI's access request would require inconsistent actions and where GTE can also show that it has explored all available options in good faith and found no satisfactory ones to exist, it shall not be required to accommodate MCI's request. The party requesting the expansion shall pay the incremental cost for the expansion. Any party, including GTE, that later uses the expanded facility shall compensate the party requesting the expansion for the use of the expanded facility.

(14) GTE must make operator services and directory assistance available as unbundled elements. GTE shall provide customized routing for operator services and directory assistance in a resale and an unbundled element environment, wherever it is technically feasible. Where MCI can show that the same switch

type is being used in Virginia or in another state by GTE or another local exchange company to provide customized routing, there shall be a presumption that all GTE switches of the same type in Virginia can provide equivalent customized routing. GTE shall be entitled to rebut that presumption within 30 days by presenting clear and convincing evidence of any differences that affect the ability of its switches in Virginia to provide similar call routing services. GTE shall also be permitted to show the incremental costs of making its Virginia switches capable of providing such customized routing. It shall be entitled to recover from CLECs the efficient incremental costs of providing this capability. Where and for so long as GTE cannot provide customized routing or branding, it shall unbrand operator services and directory assistance for all carriers' end-use customers, including its own. Moreover, for any interconnection agreement service that requires customized routing involving switches, MCI shall, as a condition to having access to such service, agree to indemnify GTE for any consequences of the voiding of manufacturer warranties caused by that routing. Upon such agreement by MCI, GTE shall not be permitted to refuse customized routing on the basis of a claim that it will void such a warranty.